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MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater
Director of Personnel Policy, Planning,
and Management

SUBJECT: Annual Personnel Plan and Report

1. Action Requested: A recommendation for your approval is contained in paragraph 4.

2. Background:

a. The Annual Personnel Plan and Report were instituted by former Director Colby in 1973 as a result of a major review of Agency personnel management and a study of new management approaches.

b. The Annual Personnel Plan (APP) is designed to focus attention of senior managers on the development of personnel management plans in their respective areas of responsibility. It is prepared on a fiscal year basis and deals with goal setting on important areas of concern to the manager, including but not limited to expected separations, goals for accessions and promotions, and various facets of the EEO program. The Annual Personnel Report (APR) also prepared by each of the Career Services provides an evaluation of accomplishments toward goals previously established and posted in the APP.

c. Mr. Colby personally reviewed the APP and the APR with the Deputy Directors each year. Subsequent Agency Directors retained them but did not pursue them in quite the same manner as Mr. Colby. They reviewed an annual overview report of a consolidated APR prepared by this Office and responded by expressing their particular interests or concerns in individual memorandums to each of the Deputies. Unfortunately, there were only infrequent follow-up discussions on these concerns with the Deputies. The overview report for FY 1980 is contained in Attachment A.

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3. Discussion:

a. There has been a lack of enthusiasm among managers for the APP and APR process. Many are inclined to think of it as a burden and in particular do not feel disposed to set forth an action plan specifically anticipating how a set of goals or objectives will be accomplished. In early 1979 the National Academy of Public Administration (NAPA) while engaged in reviewing Agency personnel management practices noted this lack of interest among Agency managers. They observed that the APP and APR, although useful management tools, "...had lost much of their utility to top management while imposing an unnecessary workload on those involved in their preparation." This Office helped to reduce the workload involved this year in producing the Career Service APRs by providing the preparers with statistical information compiled centrally from the Office of Personnel Policy, Planning, and Management data base.

b. We believe that much of this lack of interest stems from problems relating to the annual planning cycle. For the past several years internal reorganizations frequently have resulted in the movement of major Agency elements from one Career Service (Directorate) to another or in the creation of new and the discontinuance of old Agency components. This has not only interfered with Career Service personnel planning and goal setting but upsets the data base and complicates data retrieval and analysis. In addition, the impact of externally imposed periodic hiring freezes, cuts in authorized personnel ceiling, and pay "caps" on many of our senior officers has made valid goal setting on an annual basis unrealistic. Much of what Agency managers are trying to accomplish in the way of personnel objectives, e.g., increased minority representation, improved employee and managerial development, and a more efficient and effective workforce is more reliably measured over a longer term.

c. This year in preparing their Annual Personnel Report for FY 1980, Agency managers were encouraged to look back and view in retrospect how things have been going. Their reports represent an improved product as well as increased interest in the subject. The individual Career Service Annual Personnel Reports are contained in Attachment B. Our experience with the APP and APR since their introduction as management tools verifies their value but also verifies that without the active participation of senior management at both the Office and Directorate level, and appropriate accountability by top management they will not be effective.

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Regardless of the difficulties, we recommend continuing the APP and APR process on an annual basis if you believe these programs could serve to provide the emphasis and direction you wish to exercise over Agency-wide personnel management programs. As an alternative, we would support an approach that would be favorably viewed by Agency managers, would be considerably less expensive to prepare and still be useful; i.e., require Career Services to submit their plans and reports periodically rather than annually, perhaps every three to five years. This is not to say that managerial responsibility will be lessened or in any way changed, but rather that managerial accountability would be measured over a longer time frame. This Office, of course, would continue to serve as the central control point for assuring uniformity in the application of Agency personnel policy.

4. Recommendations: It is recommended that you approve one of two alternative proposals regarding the use of the APP and the APR as a management tool. I recommend paragraph 4a.

a. The APP and APR should continue to be prepared by the Career Services each fiscal year.

() APPROVED () DISAPPROVED

b. The APP and APR should be prepared on a periodic basis at the call of the DDCI.

() APPROVED () DISAPPROVED

Harry E. Fitzwater
Harry E. Fitzwater

Atts

The recommendations contained in paragraph 4 are approved/disapproved as indicated.

Deputy Director of Central Intelligence

Date

Distribution:

Orig - Return to D/PPPM
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ANALYSIS OF THE CONSOLIDATED
FY 80 ANNUAL PERSONNEL REPORT AND
FY 81 ANNUAL PERSONNEL PLAN

An Overview

1. Introduction

Following an evaluation by a team from the National Academy of Public Administration (NAPA) in late 1979 a recommendation was approved that line managers evaluate their own personnel management practices within the context of a revised Annual Personnel Plan (APP) as much as possible. They are required to report to the Deputy Director of Central Intelligence through the Director, Office of Personnel Policy, Planning, and Management (D/OPPPM) the results of this evaluation. The NAPA team supported this Agency program which provides for managers to review their own personnel goals and achievements. D/OPPPM retains responsibility for providing guidance to managers in their evaluation efforts and for Agency-wide personnel management evaluation. This overview represents in part a product of this OPPPM responsibility. It reflects an analysis limited to those issues and concerns tracked during Fiscal Year 1980 and/or projected for 1981.

2. Agency On-Duty Strength

a. Over the past several years the Agency's ceiling and on-duty strength (ODS) has continued to decline. The tide turned slightly in 1979 and at the close of FY 1980 we experienced the first gain in strength in some time. Pressures continue to be felt, however, in meeting Agency staffing requirements. Certain of the Agency's projected needs in some occupational areas will be difficult to satisfy because of shortages in available prospects. Managers also have expressed concern that "personnel hiring freezes" and the consequent shortfall of input could adversely affect their ability to carry out their mission.

b. An analysis of the Agency's personnel mix over the past few years shows the ratio of professionals to clericals has grown slightly. Whether this is related to a programmed change in requirements or reflects an adjustment to satisfying perceived clerical needs by using professionals cannot be readily established. (See paragraph 5 for additional discussion of this subject.) Graph A shows the five-year trend in ODS Agency-wide.

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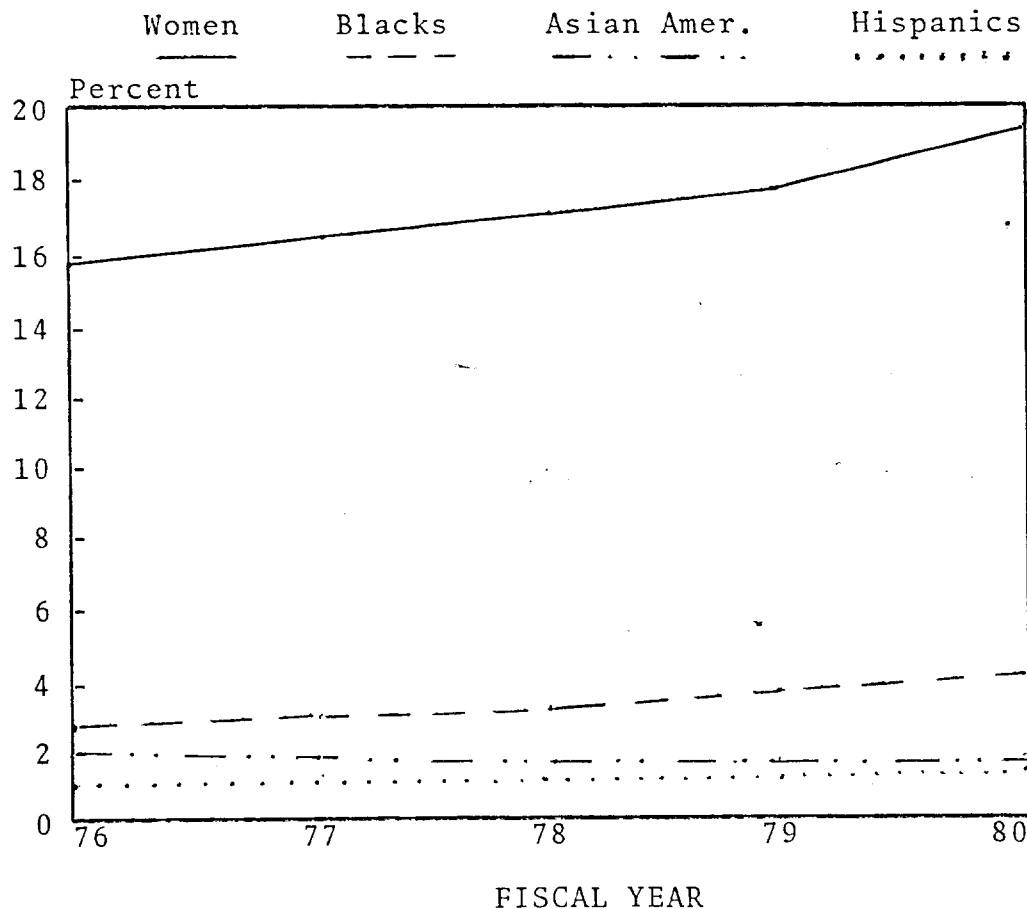
3. Women and Minority

a. Continued efforts have been made during the past several years to improve the ratio of minorities to white males in the Agency. Each year managers are asked to emphasize minority hiring and the Career Services have responded as minority representation in the Agency has grown.

b. The Agency has had greater success in increasing the ODS level of women and blacks than with other minorities. Considering the available personnel resource pool, however, this is to be expected. Primary attention has been given to the acquisition of professional (not clerical) level minority employees, and Graph B displays the growth of women and minority professionals in the Agency during the past five years. It is clear that regardless of the intensity of effort given to the matter the affect on the rate of improvement is only slight. Of course, progress has been made and the hiring of minorities remains a priority concern.

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GRAPH B

WOMEN & MINORITY PROFESSIONALS AS PERCENT OF
AGENCY PROFESSIONAL ON-DUTY STRENGTH

c. FY 1980 goals for the hiring and promotion of women and minorities were not met in every instance, but achievements were such as to suggest that we are still very much on track. In fact the number of promotions of women and minority professional employees has been proportionately much higher than their representation in the Agency population as may be noted in Table No. 2 as follows:

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Table 1

ON-DUTY STRENGTH WOMEN & MINORITY PROFESSIONALS
FY 1979 AND FY 1980

<u>% Women Professional ODS</u>		<u>% Professional ODS, GS-12 & Up</u>
FY 79 Goal	17.49%	10.23%
FY 79 Achieved	18.09	10.22
FY 80 Goal	18.73	10.69
FY 80 Achieved	19.40	10.71
<u>% Black Professional ODS</u>		
FY 79 Goal	4.22%	1.81
FY 79 Achieved	3.83	1.90
FY 80 Goal	4.56	2.39
FY 80 Achieved	4.2	2.28
<u>% Asian American Prof. ODS</u>		
FY 79 Goal	1.92	1.79
FY 79 Achieved	1.99	1.92
FY 80 Goal	2.10	2.04
FY 80 Achieved	1.9	1.04
<u>% Hispanic Professional ODS</u>		
FY 79 Goal	1.65	1.03
FY 79 Achieved	1.56	1.08
FY 80 Goal	1.89	1.16
FY 80 Achieved	1.7	.62

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Table 2

PROMOTION RATES WOMEN & MINORITY PROFESSIONALS
FY 1979 AND FY 1980

<u>% All Professional Promotions (Women)</u>		<u>% Women Professionals Promoted</u>
FY 79 Goal	22.37%	---
FY 79 Achieved	25.52	35.55
FY 80 Goal	27.41	---
FY 80 Achieved	25.20	35.46
<u>% All Professional Promotions (Black)</u>		<u>% Black Professionals Promoted</u>
FY 79 Goal	5.90%	---
FY 79 Achieved	5.80	38.50
FY 80 Goal	6.34	---
FY 80 Achieved	4.71	30.52
<u>% All Professional Promotions (Asians)</u>		<u>% Asian Professionals Promoted</u>
FY 79 Goal	1.08%	---
FY 79 Achieved	1.93	28.73
FY 80 Goal	2.15	---
FY 80 Achieved	1.26	18.02
<u>% All Professional Promotions (Hispanics)</u>		<u>% Hispanic Professionals Promoted</u>
FY 79 Goal	2.46	---
FY 79 Achieved	1.98	33.57
FY 80 Goal	2.55	---
FY 80 Achieved	2.19	34.61

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4. Professional Losses

a. Agency losses have exceeded projections for the past several years. With Agency strength levels being reduced, discontinued service separations made up a large portion of Agency losses and these were not included in the projections. Recognizing that sizable unanticipated losses impair our recruitment program and could adversely affect Agency operations, OPPPM developed and made available to the Career Services during this past year a modeling technique which should substantially improve the accuracy of estimating personnel losses.

b. Retirements appear to have begun to taper off (especially those in the Operations Directorate) and this is shown in Graph C. The state of the economy and other factors, of course, influence loss rates and some fluctuation will occur without special significance. The FY 1981 Annual Personnel Plan projects approximately the same level of professional losses during the current fiscal year as occurred in FY 1980.

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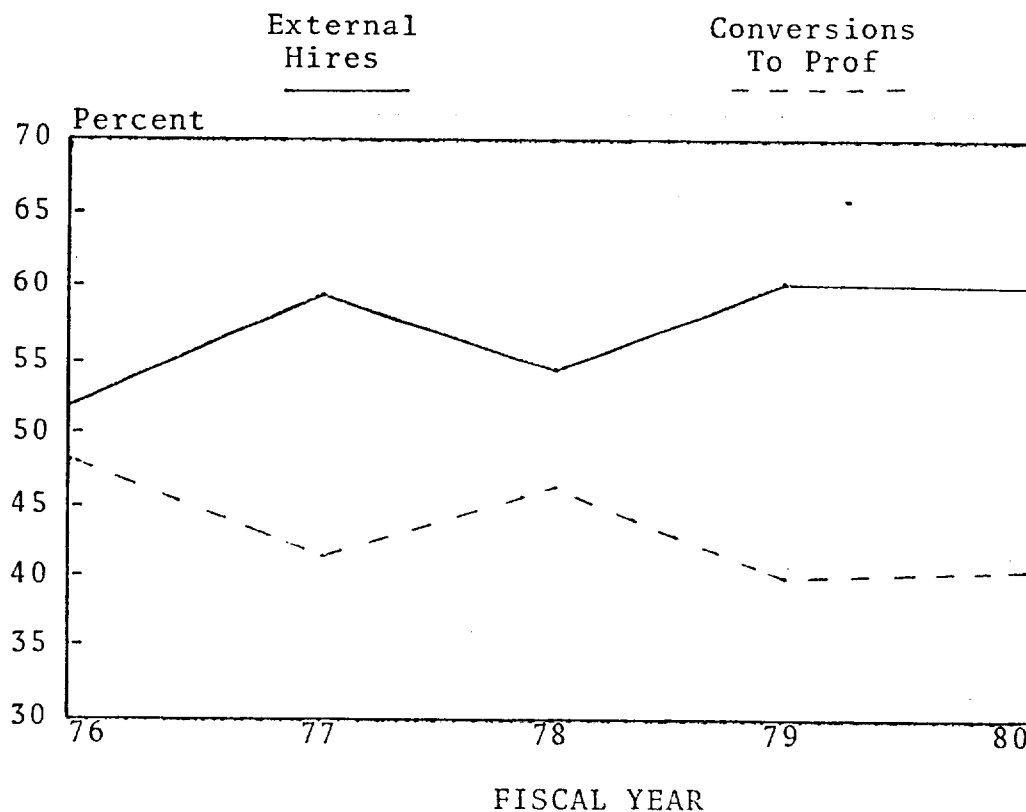
5. Professional Gains

a. Agency professional employee assets are acquired through direct hire and the conversion of other employees to professional status. There is some conflict in approach between managers who desire more external hires and lateral entry to assure "fresh blood" in the Agency and others who in the interest of affirmative action, upward mobility, and career development stress internal conversions. One concern shared by many managers is the pressure, particularly during times of tight personnel ceilings and budget controls to move many employees upward who are at best only marginally suitable.

b. In FY 1977 management made a special effort to recruit new employees (See Graph D). Since then the rates of external hires to conversions have leveled off to its present 60-40 relationship. During the past two fiscal years managers have projected making only half the conversions that actually occurred. Nearly one in twenty clerical employees convert to professional status each year. The goal for FY 1981 conversions remains the same as for the previous year and managers will obviously have to work harder to keep the lid on their clerical conversions if their intent is to increase external recruitment.

GRAPH D

EXTERNAL HIRES VS PROFESSIONAL CONVERSIONS
AS PERCENT OF PROFESSIONAL GAINS



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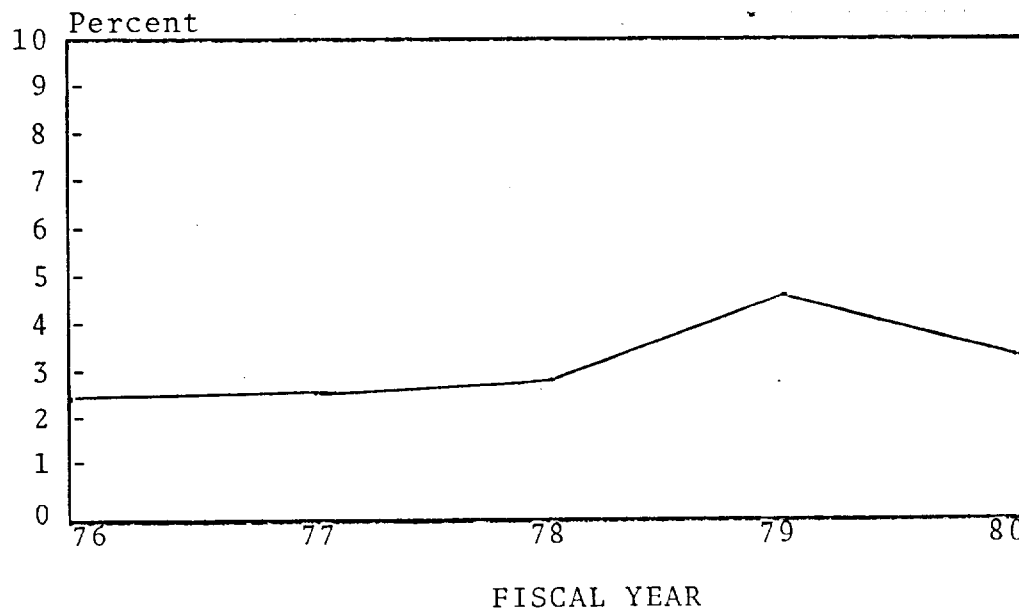
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6. Professional Rotational Assignments

As shown in Graph E the number of inter-Career Service rotational assignments for professional employees has been on the increase, although this year the number has dropped somewhat. In recent years top management has been concerned about the adequacy of developmental experiences for managerial candidates and, to meet this concern, increased the rotation of such employees outside the employees' primary area of Agency service. The Senior Officer Development Program was formally established during this report period to both support the career development of those selected as potential replacements for retiring managers and to formalize a rotational assignment program. Should intra-Career Service rotations be added to the number shown in Graph E the percentage would jump to nearly ten percent. It appears likely that this year's figures are representative and that rotational assignments for professional employees will remain close to or slightly below current levels in the next few years.

GRAPH E

AGENCY PROFESSIONAL INTER-CAREER SERVICE ROTATIONAL ASSIGNMENTS

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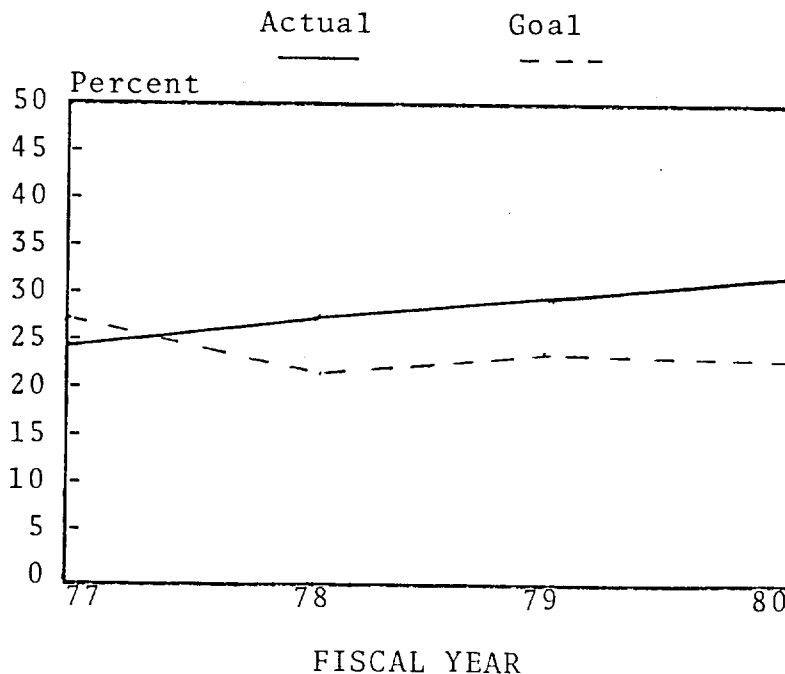
7. Promotions

a. Promotion headroom has been ample during the past few years as evidenced by the continuous rise in promotion rates as shown in Graph F. The growth in the number of promotions relates directly to the managerial emphasis given this program during the past few years. The need to assure all employees (including minorities) that opportunities for advancement do exist in the Agency prompted Career Services to establish annual promotion goals.

b. Increases in employee retirements also served to accelerate the promotion rate, i.e., numerically 17 percent more people were promoted in Fiscal Year 1980 than in 1977. This occurred during a time when authorized personnel ceilings were being decreased. Although promotion rates may vary considerably from year to year it is doubtful that the promotion rate will ever reach a much higher level than it did this year. In this regard nearly one-third of the Agency's employees were promoted during FY 1980.

GRAPH F

AGENCY-WIDE PROMOTIONS AS PERCENT OF AVERAGE ON-DUTY STRENGTH

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8. Personal Rank Assignments

a. The policy permitting the assignment of Agency employees to positions classified below their current grade level (without taking a pay reduction) was introduced early in the organization's existence. These assignments, known as Personal Rank Assignments (PRAs), resulted from management's need for more flexibility in moving people quickly from place to place to meet changing needs and priorities. It was also recognized as necessary to permit the permanent promotion of employees stationed overseas (particularly from the Operations Directorate) without requiring their immediate reassignment in mid-tour to a position at the appropriate grade level. Generally speaking, for every PRA the counterpart must co-exist, i.e., an employee must be assigned to a position classified at a level higher than his or her current grade level (without a concomitant pay increase). In this way the authorized grade-points of Agency positions and personnel remain in balance.

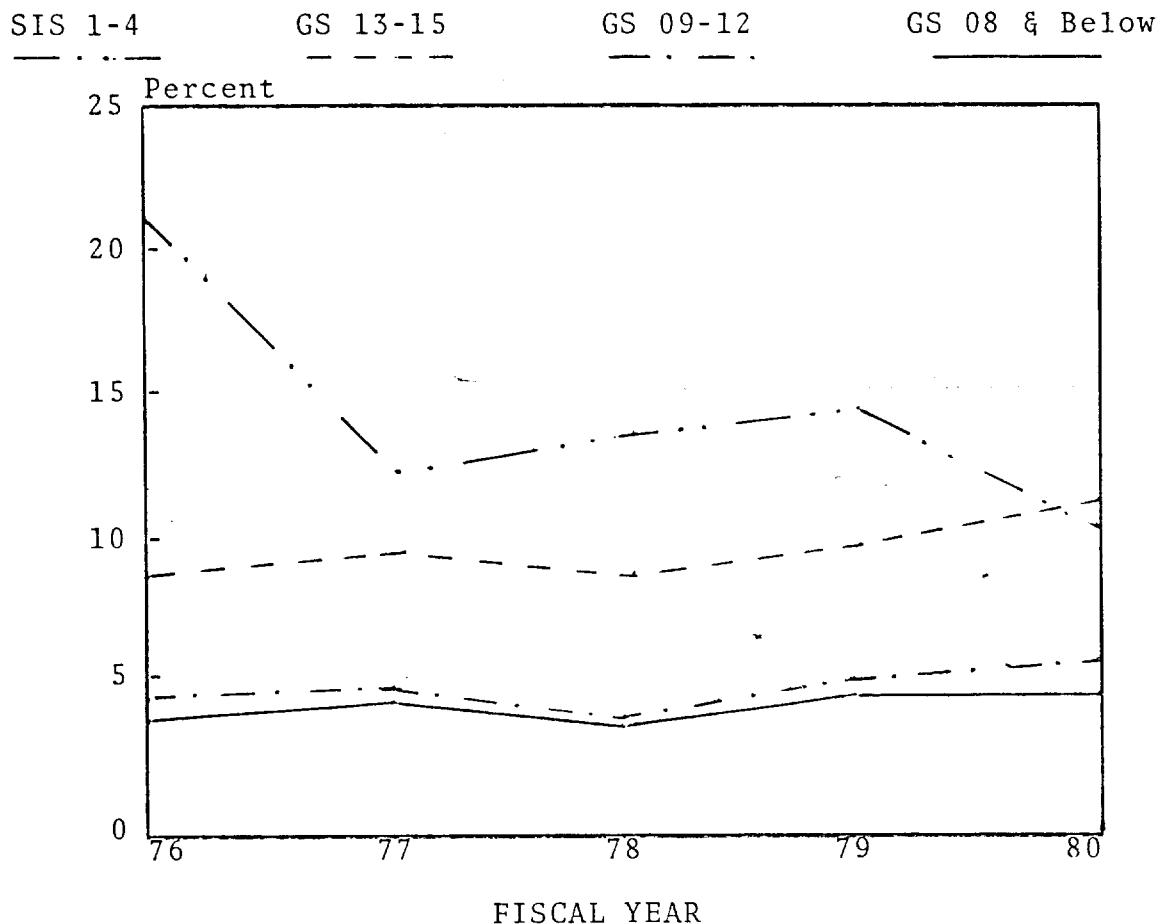
b. Graph G, which shows PRA trends during the past five years, does include supergrade personnel. Retirement possibilities account for much of the drop in SIS PRAs, but a small increase in the mid- to upper-grade range may be noted.

c. Over the years the number of PRAs grew and it was apparent that managers were not closely monitoring the practice. The rate of PRAs is at its highest level for some years although special emphasis was given this past year to effect a reduction. In their individual reports the Career Services address the matter. OPPPM, of course, will continue to review personnel actions and periodically inform managers of the status of PRAs in their area of responsibility.

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GRAPH G

AGENCY PERSONAL RANK ASSIGNMENTS AS
PERCENT OF ON-DUTY STRENGTH BY GRADE GROUP



9. Employee Counseling Cases

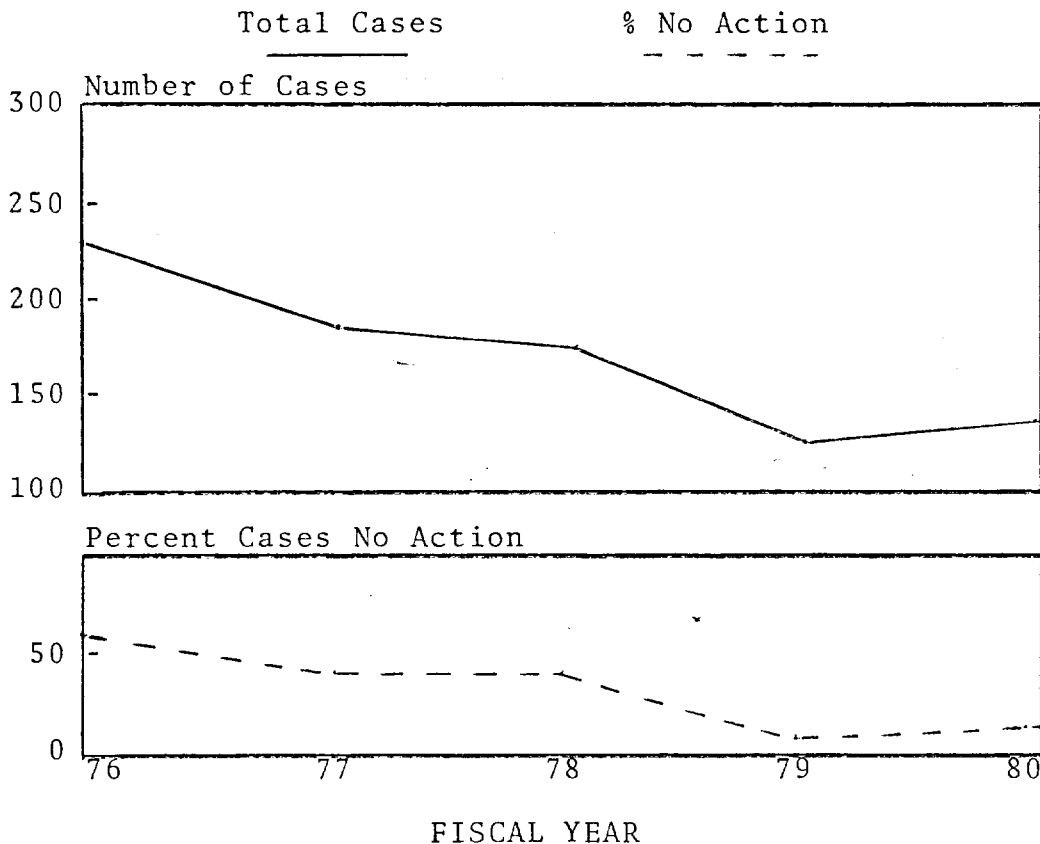
a. Agency policy provides that employees, who for reasons of poor performance, rank in the bottom three percent of the group with which they are competitively evaluated will be informed of the fact and counseled as appropriate. Agency security interests and organizational effectiveness strongly justify the practice of identifying employees who are experiencing work difficulties so that remedial action may be considered.

b. Graph H shows the trend during the past five years to reduce the number of problem cases of this kind. The record suggests that a good success rate has been realized although the case load rose slightly during this past year.

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GRAPH H

PROFESSIONAL & TECHNICAL COUNSELING CASES
RESULTING FROM COMPETITIVE RANKING & POOR WORK PERFORMANCE

10. Employee Performance Appraisal

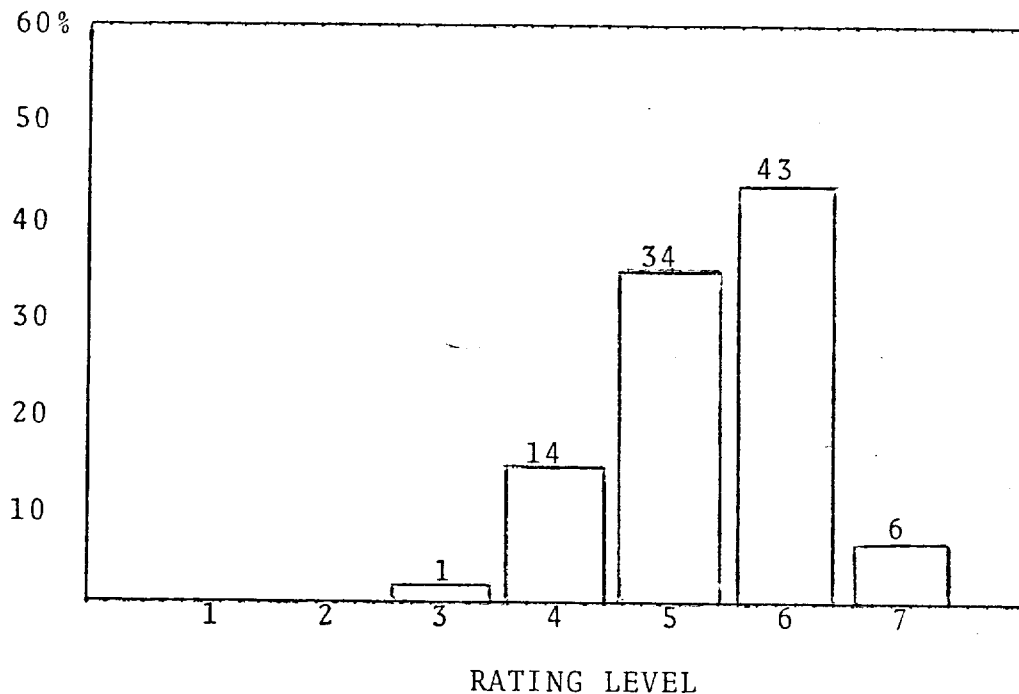
a. A new employee Performance Appraisal Report (PAR) was introduced in the Fall of 1979. Its predecessor had been in effect many years and rating levels on the average had risen to a very high level and made employee comparative evaluations more complicated. It was management's hope that the new PAR would reduce the number of inflated ratings and better differentiate performance levels among employees.

b. Following implementation of the PAR, an evaluation program was introduced to determine the impact this new system was having in the Agency. This evaluation is still in progress. However, preliminary findings have not been too encouraging. Rating levels thus far under the new system proximate those of the old. (See Graph I.) Currently, supervisors are being encouraged to concentrate on reviewing and improving their performance standards.

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GRAPH I

EMPLOYEE RATING LEVELS
PERFORMANCE APPRAISAL REPORT



Conclusions

The consolidated APR for FY 1980 indicates that in most respects management's personnel programs are in good order. Although the Agency has reduced in size, opportunities for advancement continue to be excellent. Promotions are up, minority hiring and development are continuing to grow, employees are able to move about in the Agency, and the loss of experienced employees is beginning to slow. Personnel programs requiring the continued attention of management involve the close monitoring of personal rank assignments within each of the Career Services, and the effort to make the performance appraisal process more effective. The evaluation of the PAR is near completion and I shall report separately the results to you and keep you informed of actions that are contemplated.

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